

FIFTEENTH JUDICIAL DISTRICT COURT
Lafayette, Louisiana

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2012

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FIFTEENTH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the Fifteenth Judicial District Court's financial performance provides an overview of the Court's financial activities for the fiscal years ended June 30, 2012 and 2011, in an easily readable analysis. Please read it in conjunction with the Court's financial statements that follow.

FINANCIAL HIGHLIGHTS

The Fifteenth Judicial District Court's total assets exceeded its liabilities at the close of the fiscal year by \$4,707,195. Of this amount, \$49,710 was invested in capital assets and \$4,657,485 was unrestricted. The unrestricted portion of net assets may be used to meet the government's ongoing obligations and operational needs.

Total expenses of governmental activities for all our programs were \$2,021,812, for the year. Of this amount, \$1,906,452 was provided by program revenues from charges for services, fines and forfeitures, and \$446,232, was provided by program revenues from operating grants and contributions. Based on the governmental activities of 2012, net assets increased \$369,785.

As of the close of the current fiscal year, the Fifteenth Judicial District Court's governmental funds reported a combined ending fund balance of \$4,657,485. The General Fund accounted for \$2,404,168. Governmental activities reported a net change in fund balances of \$383,184. The General Fund accounted for \$65,366, of the net change in total fund balances. Increases in fund balance of \$206,543 and \$54,998 were reported for the Child Support fund and Misdemeanor Probation Fund, respectively. Drug Court Enhancement Fund reported an increase in fund balance of \$56,277.

USING THE BASIC FINANCIAL STATEMENTS

The Fifteenth Judicial District Court's annual audit report consists of a series of financial statements that reflect the operations of the Court as a whole and its funds. The basic financial statements of the Court are made up of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements of the Court.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements are designed to provide the reader with a broad overview of the Fifteenth Judicial District Court's finances, similar in format to a financial statement of a commercial enterprise. The government-wide financial statements provide short and long-term information about the Court's financial status as a whole.

The Fifteenth Judicial District Court's government-wide financial statements include a *Statement of Net Assets* (page 10) and *Statement of Activities* (page 11), which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the *Statement of Net Assets* is to report all of the assets held and liabilities owed by the Court using the full accrual basis of accounting. The Court reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred.

FIFTEENTH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

The difference between the Fifteenth Judicial District Court's total assets and total liabilities is reported as net assets and this difference is similar to the total owners' equity presented by a commercial enterprise. Over time, increases or decreases in the Court's net assets are one indicator of whether its financial health is improving or deteriorating. However, the Court's goal is to provide services to the citizens of Acadia, Lafayette, and Vermilion Parishes, Louisiana, not to generate profits as commercial enterprises do. Therefore, no financial factors must be considered to assess the overall health of the Court.

The purpose of the *Statement of Activities* is to present the revenues and expenses of the Fifteenth Judicial District Court. Again, the items presented on the *Statement of Activities* are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the Court. Thus, revenues are reported even though they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Fund Financial Statements (FFS)

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the Fifteenth Judicial District Court rather than the Court as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fifteenth Judicial District Court, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The basic governmental fund financial statements are located on pages 13 through 18 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Following both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances is a reconciliation to facilitate this comparison between governmental funds and governmental activities (pages 15 and 18).

FIFTEENTH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Fifteenth Judicial District Court maintains four individual governmental funds. Information is presented separately in the *Balance Sheet—All Governmental Funds* (pages 13 and 14) and in the *Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Funds* (pages 16 through 17) for the General, Child Support, Misdemeanor Probation, and Drug Court Enhancement Funds which are considered to be major funds.

The Fifteenth Judicial District Court adopts an annual appropriated budget for its General, Child Support, Misdemeanor Probation and Drug Court Enhancement Funds. During the course of the year, this budget is amended to take into consideration changes that have occurred affecting revenues and expenditures. A schedule showing the originally adopted budget and final amended budget compared with actual operating results is provided in the required supplemental information section for the General Fund and each major special revenue fund to demonstrate compliance with this budget.

Our auditor has provided assurance in the independent auditors' report, located immediately following this *Management's Discussion and Analysis*, that the basic financial statements of the Fifteenth Judicial District Court are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the required and other supplemental information. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each of the other parts in the financial section.

Notes to the Financial Statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and can be found on pages 19 through 31.

REPORTING ON THE FIFTEENTH JUDICIAL DISTRICT COURT AS A WHOLE

The following table reflects the condensed *Statement of Net Assets*:

CONDENSED STATEMENT OF NET ASSETS
June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets		
Current and other assets	\$4,814,257	\$4,376,161
Capital assets, net of accumulated depreciation	<u>49,710</u>	<u>63,109</u>
Total assets	<u>4,863,967</u>	<u>4,439,270</u>
Liabilities		
Current and other liabilities	<u>156,772</u>	<u>101,860</u>
Net assets		
Invested in capital assets, net of related debt	49,710	63,109
Unrestricted	<u>4,657,485</u>	<u>4,274,301</u>
Total net assets	<u>\$4,707,195</u>	<u>\$4,337,410</u>

FIFTEENTH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Fifteenth Judicial District Court, assets exceed liabilities at the close of the fiscal year, by \$4,707,195 in 2012 and \$4,337,410 in 2011. Of these amounts \$49,710, or 1.1%, and \$63,109 or 1.5% of the total net assets, represents the investment of the Court in capital assets net of related debt. Net assets of \$4,657,485 for 2012 and \$4,274,301 for 2011, which are technically unrestricted, need to be viewed in light of information in the fund financial statements. Actions by the Court do not qualify as restrictions of net assets in the basic financial statements of the Court.

For the years ended June 30, 2012 and 2011, capital assets, net of accumulated depreciation, account for \$49,710, or 1.02% and \$63,109, or 1.45% of the total assets, respectively.

The following table reflects the condensed *Statement of Activities*:

CONDENSED STATEMENT OF ACTIVITIES		
Years Ended June 30, 2012 and 2011		
	2012	2011
Revenues		
Program revenues		
Charges for services, fines and forfeitures	\$ 1,906,452	\$ 1,817,699
Operation grants and contributions	446,232	381,366
General revenues		
Investment income	38,913	45,743
Total revenues	2,391,597	2,244,808
Expenses		
Governmental activities		
District Court	884,256	791,092
Child Support	651,511	636,288
Misdemeanor Probation	412,158	411,224
Drug Court	73,887	62,177
Total expenses	2,021,812	1,900,781
Change in net assets	369,785	344,027
Net assets, beginning	4,337,410	3,993,383
Net assets, ending	\$ 4,707,195	\$ 4,337,410

As reported in the *Statement of Activities*, the cost of all of our governmental activities for 2012 and 2011 was \$2,021,812 and \$1,900,781, respectively. Some of the costs were paid by those who benefited from the programs (\$1,906,452 for 2012 and \$1,817,699 for 2011) or by other governments and organizations who subsidized certain programs with grants and contributions (\$446,232 for 2012 and \$381,366 for 2011). The remainder, if any, was funded by other general revenues.

FIFTEENTH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE FIFTEENTH JUDICIAL DISTRICT COURT FUNDS

The Fifteenth Judicial District Court uses funds to control and permit measurement in the short-term of revenues and expenditures of a particular activity or purpose (e.g., dedicated revenues and grant programs). The fund financial statements allow the Court to demonstrate its stewardship over and accountability for resources provided by taxpayers and other entities. These statements also allow the reader to obtain more insight into the financial management of the Court and further assess the Court's overall financial stability.

The Fifteenth Judicial District Court ended the fiscal year June 30, 2012, with a combined fund balance of \$4,657,485, an increase of \$369,785 from the previous fiscal year end. The General Fund closed the fiscal year with a fund balance of \$2,404,168, which is comprised of \$3,297 nonspendable, \$2,357 assigned, and \$2,398,514 unassigned as defined in Note 1 on pages 24 and 25.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Fifteenth Judicial District Court's budgets are prepared according to Louisiana law. During the course of the year, the Court revised its budgets to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment for the general fund or any special revenue fund with revenues at or exceeding \$500,000 if either expected revenues are less or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more.

A budgetary comparison schedule showing the Fifteenth Judicial District Court's originally adopted budget and final amended budget compared with actual operating results for all major funds is provided on pages 33 through 36. The Court's year-end actual results were better than budgeted in all funds, as conservative budgetary practices are customary, except for the General Fund where budgeted revenues exceeded actual revenues by more than 5%.

CAPITAL ASSET AND DEBT ADMINISTRATION

At June 30, 2012, the Fifteenth Judicial District Court had \$49,710, (net of accumulated depreciation of \$274,913) invested in capital assets including furniture and equipment. This amount represents a net decrease (including additions, deductions, and depreciation) of \$13,399, or 21%, from last year.

CAPITAL ASSETS, NET OF
ACCUMULATED DEPRECIATION
June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Machinery and equipment	\$ 324,623	\$ 303,830
Less: accumulated depreciation	<u>(274,913)</u>	<u>(240,721)</u>
Net capital assets	<u>\$ 49,710</u>	<u>\$ 63,109</u>

During the current year, \$27,277, of capital assets were acquired while depreciation for the year ended June 30, 2012, totaled \$39,669. Additional information on the Court's capital assets can be found in Note 5 of this report.

FIFTEENTH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Court's elected and appointed officials considered many factors when setting the Court's 2013 budgets.

Expenditures of the governmental funds are expected to remain fairly consistent with the 2012 fiscal year.

CONTACTING THE FIFTEENTH JUDICIAL DISTRICT COURT'S FINANCIAL MANAGEMENT

This document is designed to provide a general overview of the Fifteenth Judicial District Court's finances for all those with an interest in the finances of the courts. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Tina LeMaire, Court Administrator, Fifteenth Judicial District Court, Post Office Box 3996, Lafayette, Louisiana 70502-3996, telephone (337)269-5761.



INDEPENDENT AUDITOR'S REPORT

To the Honorable Kristian Earles
Fifteenth Judicial District Court
Lafayette, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fifteenth Judicial District Court as of and for the year ended June 30, 2012, which collectively comprise the Fifteenth Judicial District Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Fifteenth Judicial District Court's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fifteenth Judicial District Court as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2012, on our consideration of the Fifteenth Judicial District Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 6 and 34 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana
September 21, 2012

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements (GWFS)

FIFTEENTH JUDICIAL DISTRICT COURT

Statement of Net Assets
June 30, 2012
(With Comparative Totals as of June 30, 2011)

	Governmental Activities	
	2012	2011
ASSETS		
Cash	\$ 1,617,340	\$ 1,786,280
Certificates of deposit	3,001,805	2,401,805
Due from other governmental entities	42,714	43,840
Other receivable	165	1,980
Prepaid expenses	4,481	1,486
Accrued income	144,452	142,008
Security deposits	3,300	3,300
Capital assets, net of accumulated depreciation	49,710	63,109
Total assets	4,863,967	4,443,808
LIABILITIES		
Due to other governmental entities	41,853	4,538
Accrued expenses	114,919	101,860
Total liabilities	156,772	106,398
NET ASSETS		
Invested in capital assets, net of related debt	49,710	63,109
Unrestricted	4,657,485	4,274,301
Total net assets	\$ 4,707,195	\$ 4,337,410

The accompanying notes are an integral part of this statement.

FIFTEENTH JUDICIAL DISTRICT COURT

Statement of Activities Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Assets
		Charges for Services, Fines and Forfeitures	Operating Grants and Contributions	
Governmental Activities				
District Court	\$ 884,256	\$ 449,090	\$ 446,232	\$ 11,066
Child Support	651,511	845,143	-	193,632
Misdemeanor Probation	412,158	482,717	-	70,559
Drug Court	<u>73,887</u>	<u>129,502</u>	<u>-</u>	<u>55,615</u>
Total governmental activities	<u>\$ 2,021,812</u>	<u>\$ 1,906,452</u>	<u>\$ 446,232</u>	<u>330,872</u>
General revenues:				
Investment income				<u>38,913</u>
Total general revenues				<u>38,913</u>
Change in net assets				369,785
Net assets, beginning				<u>4,337,410</u>
Net assets, ending				<u>\$ 4,707,195</u>

The accompanying notes are an integral part of this statement.

BASIC FINANCIAL STATEMENTS

Fund Financial Statements (FFS)

FIFTEENTH JUDICIAL DISTRICT COURT

Balance Sheet
Government Funds
June 30, 2012

(With Comparative Totals as of June 30, 2011)

	General Fund	Child Support Fund	Misdemeanor Probation Fund
ASSETS			
Cash	\$ 663,051	\$ 381,172	\$ 295,644
Certificates of deposit	1,800,000	901,805	300,000
Due from other funds	-	1,128	-
Due from other governmental entities	42,714	-	-
Other receivables	165	-	-
Prepaid expenses	3,297	1,184	-
Accrued income	52,023	71,541	-
Security deposits	-	-	3,300
Total assets	<u>2,561,250</u>	<u>1,356,830</u>	<u>598,944</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	1,128	-	-
Due to other governmental entities	41,853	-	-
Accrued expenses	<u>114,101</u>	<u>287</u>	<u>86</u>
Total liabilities	157,082	287	86
FUND BALANCES			
Nonspendable:			
Prepaid expenditures	3,297	1,184	-
Security deposits	-	-	3,300
Restricted for:			
Fund/program administration	-	452,713	295,558
Assigned	2,357	902,646	300,000
Unassigned	<u>2,398,514</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>2,404,168</u>	<u>1,356,543</u>	<u>598,858</u>
Total liabilities and fund balances	<u>\$ 2,561,250</u>	<u>\$ 1,356,830</u>	<u>\$ 598,944</u>

Drug Court Enhancement Fund	Totals (Memorandum Only)	
	2012	2011
\$ 277,473	\$ 1,617,340	\$ 1,786,280
-	3,001,805	2,401,805
-	1,128	200,000
-	42,714	43,840
-	165	1,980
-	4,481	1,486
20,888	144,452	142,008
-	3,300	3,300
<u>298,361</u>	<u>4,815,385</u>	<u>4,580,699</u>
-	1,128	200,000
-	41,853	4,538
<u>445</u>	<u>114,919</u>	<u>101,860</u>
445	157,900	306,398
-	4,481	1,486
-	3,300	3,300
297,916	1,046,187	929,572
-	1,205,003	1,004,162
<u>-</u>	<u>2,398,514</u>	<u>2,335,781</u>
<u>297,916</u>	<u>4,657,485</u>	<u>4,274,301</u>
<u>\$ 298,361</u>	<u>\$ 4,815,385</u>	<u>\$ 4,580,699</u>

The accompanying notes are an integral part of this statement.

FIFTEENTH JUDICIAL DISTRICT COURT

Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Assets
June 30, 2012

Total fund balances - governmental funds \$ 4,657,485

The cost of capital assets (furniture and equipment) purchased is reported as an expenditure in the governmental funds. The Statement of Net Assets includes these capital assets among the assets of the Court as a whole. The cost of these capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	\$ 324,623	
Accumulated depreciation	<u>(274,913)</u>	
Net capital assets		<u>49,710</u>

Net assets of governmental activities \$ 4,707,195

The accompanying notes are an integral part of this statement.

FIFTEENTH JUDICIAL DISTRICT COURT

Statement of Revenues, Expenditures, and Changes
In Fund Balances – All Governmental Funds
Year Ended June 30, 2012
(With Comparative Totals for the Year Ended June 30, 2011)

	General Fund	Child Support Fund	Misdemeanor Probation Fund
Revenues			
Intergovernmental			
Court fees	\$ 198,385	\$ -	\$ -
Bond Premiums	250,705	-	-
Families in Need of Services Grant	100,509	-	-
Drug Court Grants	174,282	-	-
CLEVER Grant Revenue	6,933	-	-
Administrative Collection Fees	-	845,143	482,717
Drug Court Fee Income	-	-	-
Family Preservation Court Grants	108,390	-	-
Families in Need of Service Supplement	56,118	-	-
Investment Income	25,098	12,351	1,464
Total Revenues	<u>920,420</u>	<u>857,494</u>	<u>484,181</u>
Expenditures			
Accounting	6,216	5,180	3,404
Bench books	9,402	-	-
Commissioner expenses	1,797	-	-
Litter Abatement	-	-	13,732
Compensation, supplements, and benefits	311,911	552,670	318,188
Computer expenses	-	4,612	7,276
Contractual service	12,335	7,022	-
Court administration and reporters	20,994	290	-
Dues and subscriptions	20,514	11,540	-
FINS excess expense	56,118	-	-
Incentives	4,579	-	-
Insurance	654	-	-
Internet provider charges	1,453	1,904	2,219
Judges' allowances (including prior banked)	150,732	28,881	-
Judges' meeting expenses and ad hoc	3,248	-	-
Mileage in dist.-Acadia/Vermilion hearing officers	-	3,864	-
Miscellaneous\other	9,383	4,161	2,653
Office expenses, services, and small equipment	29,311	22,810	49,088
Parking fees	10,818	-	1,585
Postage	1,174	501	3,982
Security expense	-	5,500	-
Telephone - cellular	6,317	2,016	5,802
Testing and lab	8,056	-	-
Travel and seminars	33,783	-	1,254
Treatment	176,259	-	-
Total expenditures	<u>875,054</u>	<u>650,951</u>	<u>409,183</u>
Excess of revenues over expenditures	<u>45,366</u>	<u>206,543</u>	<u>74,998</u>
Other financing sources (uses):			
Operating transfers in (out)	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Net change in fund balance	<u>65,366</u>	<u>206,543</u>	<u>54,998</u>
Fund balance, beginning	<u>2,338,802</u>	<u>1,150,000</u>	<u>543,860</u>
Fund balance, ending	<u>\$ 2,404,168</u>	<u>\$ 1,356,543</u>	<u>\$ 598,858</u>

Drug Court Enhancement Fund	Totals (Memorandum Only)	
	2012	2011
\$ -	\$ 198,385	\$ 217,499
-	250,705	250,298
-	100,509	133,173
-	174,282	173,583
-	6,933	2,728
-	1,327,860	1,247,424
129,502	129,502	102,478
-	108,390	-
-	56,118	71,882
-	38,913	45,743
<u>129,502</u>	<u>2,391,597</u>	<u>2,244,808</u>
-	14,800	19,360
-	9,402	7,700
-	1,797	2,714
-	13,732	15,124
-	1,182,769	1,137,429
-	11,888	12,783
46,441	65,798	41,647
-	21,284	17,284
-	32,054	24,831
-	56,118	71,882
1,238	5,817	34
-	654	654
-	5,576	5,056
-	179,613	172,128
-	3,248	9,866
-	3,864	3,734
5,287	21,484	12,964
1,745	102,954	81,055
-	12,403	12,735
-	5,657	8,429
-	5,500	14,715
-	14,135	13,558
-	8,056	7,195
3,106	38,143	9,554
<u>15,408</u>	<u>191,667</u>	<u>190,512</u>
<u>73,225</u>	<u>2,008,413</u>	<u>1,892,943</u>
<u>56,277</u>	<u>383,184</u>	<u>351,865</u>
<u>-</u>	<u>-</u>	<u>-</u>
56,277	383,184	351,865
<u>241,639</u>	<u>4,274,301</u>	<u>3,922,436</u>
<u>\$ 297,916</u>	<u>\$ 4,657,485</u>	<u>\$ 4,274,301</u>

The accompanying notes are an integral part of this statement.

FIFTEENTH JUDICIAL DISTRICT COURT

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2012

Net change in fund balances - total governmental funds	\$ 383,184
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Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation expense in the current period.

Loss on sale of assets	(1,007)
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Capital outlay expenditures	\$ 27,277
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Depreciation expense	<u>(39,669)</u>
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Excess (deficiency) of capital outlays over depreciation	<u>(12,392)</u>
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Change in net assets of governmental activities	<u>\$ 369,785</u>
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The accompanying notes are an integral part of this statement.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fifteenth Judicial District Court (the “Court”) is comprised of three parishes within the State of Louisiana: Acadia, Lafayette, and Vermilion. The courthouses of the Fifteenth Judicial District are located in the three parish seats of Crowley (Acadia Parish), Lafayette (Lafayette Parish), and Abbeville (Vermilion Parish). The caseload of the Fifteenth Judicial District Court is handled by thirteen judges that are elected from sub-districts within the entire district. These judges all have general trial jurisdiction throughout the district and preside over individual divisions designated by the letters A through M as follows:

Division A	Judge John D. Trahan
Division B	Judge Jules D. Edwards, III
Division C	Judge Edward Broussard
Division D	Judge Edward D. Rubin
Division E	Judge Herman C. Clause
Division F	Judge Glennon P. Everett
Division G	Judge Durwood W. Conque
Division H	Judge David Blanchet
Division I	Judge Thomas R. Duplantier
Division J	Judge Kristian Earles
Division K	Judge Patrick L. Michot
Division L	Judge Marilyn C. Castle
Division M	Judge Susan Theall

The accompanying financial statements of the Court have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Court are described below:

Basis of Presentation

The Court uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. The minimum number of funds maintained by the Court is consistent with legal and managerial requirements.

A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities.

The Court’s basic financial statements include both government-wide (reporting the Court as a whole) and fund financial statements (reporting the Court’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the Court’s activities are classified as governmental activities.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements - Government-Wide Financial Statements

The government-wide financial statements include a *Statement of Net Assets* and *Statement of Activities*. These statements report financial information about the Court. In the process of aggregating data for the *Statement of Net Assets* and *Statement of Activities* some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

In the *Statement of Net Assets* the governmental type activities column (1) is presented on a consolidated basis by column, and (2) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Court’s net assets are reported in three parts: (1) *invested in capital assets, net of related debt* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets; (2) *restricted net assets* – consists of net assets with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation; and (3) *unrestricted net assets* – all other net assets that do not meet the definition of *restricted* or *invested in capital assets, net of related debt*. The Court first utilizes restricted resources to finance qualifying activities.

The *Statement of Activities* reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses associated with a distinct functional activity. Program revenues includes: (1) charges for services which report fees, fines, and forfeitures, and other charges to users of the Court’s services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. Other revenue sources not properly included with program revenues are reported as general revenues.

The Court reports all direct expenses by function in the *Statement of Activities*. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included as a direct expense of each function.

This government-wide focus is more on the sustainability of the Court as an entity and the change in the Court’s net assets resulting from the current year’s activities.

Basic Financial Statements - Fund Financial Statements

Fund financial statements are provided for governmental funds. The emphasis of fund financial statements is on major individual governmental funds, each reported in a separate column. All remaining governmental fund(s) are aggregated and reported as nonmajor fund(s).

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following is a description of the governmental funds of the Court:

General Fund – To account for all financial resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenues Funds – To account for the proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

The Court has established several special revenue funds. The following is a brief description of each special revenue fund's purpose:

Child Support Fund - The Child Support Fund was established by Louisiana Revised Statute 46:236.5. It collects support payments on behalf of guardians who are being assisted by State aid. The Child Support Fund is authorized to receive payment of nonsupport funds on behalf of the State of Louisiana. It is also authorized to collect an administrative fee of .0395% of the funds due. The fees are used to fund the administrative costs of the expedited processing system associated with a segregated family court within the Fifteenth Judicial District Court.

Misdemeanor Probation Fund - The Misdemeanor Probation Fund collects a \$25 per month supervision fee for misdemeanor cases and \$30 per month for felony cases pled down to a misdemeanor case. The fees are used to fund the administrative and personnel costs of the Misdemeanor Probation Program within the Fifteenth Judicial District Court.

Drug Court Enhancement Fund – The Drug Court Enhancement Fund was established by way of an ordinance that allows specific distribution of Lafayette Parish contempt fines charged for failure to appear. The Drug Court Enhancement Fund amounts that are distributed to Juvenile and Adult Drug Court programs are used to supplement grant monies that primarily fund these programs. The Enhancement Fund monies are used for training, additional staffing, materials, or any other "enhancements" to the programs that would not be possible due to lack of funding.

The emphasis in the fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of major funds. In addition, management may include a fund as a major fund that does not meet the minimum criteria established by GASB if management believes the fund is important to present as such for the financial statement users.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements; measurement focus refers to what is being measured. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrual Basis - Government-Wide Financial Statements (GWFS)

The government-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants are recognized when grantor eligibility requirements are met.

Modified Accrual Basis - Governmental Fund Financial Statements (FFS)

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Their reported fund balance (net current assets) is considered a measure of “available spending resources.” Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spending resources” during a period. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditure-driven grant revenues are recorded when the qualifying expenditures have been incurred and all other grant requirements have been met. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued because they do not vest or accumulate; and (2) principal and interest on general long-term debt which is recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds.

Major revenue sources susceptible to accrual include intergovernmental revenues and investment income. In general, other revenues are recognized when cash is received.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget is employed as a management control device during the year that assists its users in financial activity analysis. All budget appropriations lapse at year-end. The budgets presented are the originally adopted budget and the final amended budget.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certificates of Deposit

The Fifteenth Judicial District Court has certificates of deposit as of June 30, 2012 which are not subject to GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and are therefore stated at cost, which approximates market.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods and services rendered. These receivables and payables are classified as *due from other funds* or *due to other funds* on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Prepaid Expenses

Advance payments made that will benefit periods beyond the current fiscal year are recorded as prepaid expenses.

Compensated Absences

Employees earn a set amount of annual vacation leave depending on years of service. Vacation cannot be accumulated and compensation in lieu of vacation is not paid. Therefore, no provision for compensated absences has been made in the financial statements.

Capital Assets and Depreciation

The accounting treatment over property and equipment (fixed assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements:

The Court's property and equipment with useful lives of more than one year are stated at historical costs and comprehensively reported in the government-wide financial statements. The Court maintains a threshold level of \$250, or more for capitalizing capital assets. Donated assets are stated at fair value at the date donated. The Court has no donated assets. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Machinery and equipment	5 – 15 years
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FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements:

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Fund Equity

Government-Wide Financial Statements:

The Fifteenth Judicial District Court's net assets are reported in three parts: (1) *invested in capital assets, net of related debt* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets; (2) *restricted net assets* – consists of net assets with constraints place on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation; and (3) *unrestricted net assets* – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Beginning with fiscal year 2011, the Fifteenth Judicial District Court's management implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

Management has classified fund balance for program administration as being restricted due to the constraints placed on the use of the money contributed by its grantor agencies.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Fifteenth Judicial District Court's board of directors, which is the Court's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Judges en banc remove or change the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Judges en banc did not have any committed resources as of year end.
- **Assigned:** This classification includes amounts that are constrained by the Judges en banc's intent to be used for a specific purpose by are neither restricted nor committed. This intent should be expressed by the Fifteenth Judicial District Court's (1) Judges en banc, (2) its finance committee, or (3) an official, such as the Administrator, to which the Judges en banc has delegated the authority to assign amounts to be used for a specific purpose.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Fifteenth Judicial District Court will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the Fifteenth Judicial District Court's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

Interfund Transfers

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Legally authorized interfund transactions, except quasi-external transactions and reimbursements, are treated as operating transfers and are included in the results of operations. For purposes of the *Statement of Activities*, all interfund transfers between individual governmental funds have been eliminated.

New Accounting Pronouncement

Beginning with this fiscal year, the management has adopted the provisions of Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The main financial statement effects relating to this new accounting standard are with how the components of the Fifteenth Judicial District Court's fund balances will be presented on the fund balance sheet.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 2 CASH

For reporting purposes, cash includes demand deposits and interest-bearing demand deposits. Under State law, the Court may invest in United States bonds, treasury notes or certificates, or time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other federally insured investment. The Court may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount.

The amount of total bank balances is classified into three categories of credit risk:

1. Insured or collateralized with securities held by the government or by the government's agent in the government's name.
2. Collateralized with securities held by the pledging financial institution's trust department or government's agent in the government's name.
3. Uncollateralized, including amounts collateralized with securities held by the pledging institution or the pledging institution's trust department or agent, but not in the government's name.

At June 30, 2012, the carrying value of the Court's cash deposits, including demand deposits and time certificates of deposit, totaled \$4,619,145, and the bank balances totaled \$4,675,540. Of the bank balances, \$4,675,540, was covered by Federal Deposit Insurance Corporation (FDIC) coverage; \$1,227,557, was covered by collateral held by the custodial bank in the bank's name (Category III).

NOTE 3 CERTIFICATES OF DEPOSIT

The District has certificates of deposit for the following funds as of June 30, 2012:

<u>Fund</u>	<u>Amount</u>	<u>Interest Rates</u>
General	\$ 1,800,000	.45% - 2.00%
Child Support	901,805	.90% - 1.75%
Misdemeanor Probation	300,000	.70% - 1.00%
Totals	<u>\$ 3,001,805</u>	

NOTE 4 DUE FROM OTHER GOVERNMENTAL ENTITIES

The following is a summary of due from other governmental entities at June 30, 2012:

	<u>Due From</u>	<u>Due to</u>
Lafayette Consolidated Government	\$ 3,443	\$ -
Vermilion Parish	32,558	-
Acadia Parish Clerk	4,748	41,853
State of Louisiana Judicial Branch	1,965	-
Total due from other governmental entities	<u>\$ 42,714</u>	<u>\$ 41,853</u>

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets reported in the government-wide financial statements for the year ended June 30, 2012, is as follows:

<u>Governmental activities</u>	<u>Balance June 30, 2011</u>	<u>Acquisitions</u>	<u>Dispositions</u>	<u>Balance June 30, 2012</u>
Capital assets being depreciated				
Machinery and equipment	\$ 303,830	\$ 27,277	\$ (6,484)	\$ 324,623
Less accumulated depreciation for				
Machinery and equipment	<u>(240,721)</u>	<u>(39,669)</u>	<u>5,477</u>	<u>(274,913)</u>
Governmental activities capital assets, net	<u>\$ 63,109</u>	<u>\$ (12,392)</u>	<u>\$ (1,007)</u>	<u>\$ 49,710</u>

Depreciation expense for the year ended June 30, 2012, was charged to governmental activities of the Court as follows:

District Court	\$ 26,809
Child Support	9,223
Misdemeanor Probation	2,975
Drug Court	662
Total depreciation expense	<u>\$ 39,669</u>

NOTE 6 COURT FEES REVENUE

The Fifteenth Judicial District Court collected court fees during the fiscal year ended June 30, 2012 as follows:

<u>Parish</u>	<u>Amount</u>
Lafayette	\$ 136,044
Acadia	32,831
Vermilion	29,510
Total	<u>\$ 198,385</u>

NOTE 7 BOND PREMIUMS

This source of funds was instituted by Louisiana Revised Statute 22:1065.1. The statute provides that 2% of all judgments of bond forfeiture collected by the Sheriff's Department shall be paid to the court fund of the parish where the bond was posted. Bond premiums for the fiscal year ended June 30, 2012, totaled \$250,705.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 8 FAMILIES IN NEED OF SERVICES (FINS) ASSISTANCE PROGRAM

The Fifteenth Judicial District Court entered into a contract with the State of Louisiana, Office of Community Services under the Families in Need of Services (FINS) Assistance Program. The Court has agreed to furnish the administration and implementation of the Families in Need of Services, Title VII of the Louisiana Children's Code, within the Fifteenth Judicial District, State of Louisiana. The Fifteenth Judicial District Court's General (Judicial Expense) Fund is the appointed administrator of the FINS Assistance Program. FINS is a pre-delinquency intervention program that provides interagency social work services to assist children with disciplinary problems from entering the juvenile court system by counseling with parents or other agencies to correct behavioral problems. Funding received or accrued, as necessary, from the Office of Community Services for the year ended June 30, 2012, totaled \$100,509. Expenditures of the Fifteenth Judicial District Court General (Judicial Expense) Fund related to the FINS Program for the year ended June 30, 2012, totaled \$177,170.

NOTE 9 FAMILY PRESERVATION COURT (FPC) PROGRAM

The Fifteenth Judicial District Court participates in a contract with the state of Louisiana Department of Children and Family Services. FPC is a program helping to rehabilitate parents who are in danger of losing their children due to substance abuse related issues with the courts. There are three funding sources for this program as follows: Supreme Court Grant, Children's Justice Act, and Casey Family Foundation. The Casey Family Foundation is a private funding source. Funding received or accrued, as necessary, from all FPC sources for the year ended June 30, 2012, totaled \$108,390. Expenditures of the Fifteenth Judicial District Court General (Judicial Expense) Fund related to the FPC program for the year ended June 30, 2012, totaled \$108,390.

NOTE 10 DRUG COURT (GRANT) PROGRAMS

The Fifteenth Judicial District Court entered into a contract with the Louisiana Supreme Court, Office of the Judicial Administrator, Supreme Court Drug Court Office under the Drug Court Program. The Court has agreed to provide assistance to juveniles and their families to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. The Supreme Court Drug Court Office reimburses drug courts for services to Temporary Assistance for Needy Families (TANF) Eligible Drug Court Program clients to help these families understand the health risks associated with substance abuse and to assist them in becoming better able to successfully function in the family setting. The Fifteenth Judicial District Court's General (Judicial Expense) Fund is the appointed administrator of the JDC Program. Funding received or accrued, as necessary, from the Supreme Court Drug Court Office for the year ended June 30, 2012, totaled \$174,282. Expenditures of the Fifteenth Judicial District Court General (Judicial Expense) Fund related to the JDC Program for the year ended June 30, 2012, totaled \$174,282.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 11 INTERFUND TRANSFERS

Interfund transfers reported in the fund financial statements during the year ended June 30, 2012, were as follows:

	Operating Transfers In	Operating Transfers Out
General Fund	\$ 20,000	\$ -
Special Revenue - General Fund		
Misdemeanor Probation Fund	-	20,000
Total operating transfers	<u>\$ 20,000</u>	<u>\$ 20,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (2) move receipts restricted to debt service from funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 12 FEES, COMPENSATION SUPPLEMENTS, AND REIMBURSEMENTS

Personnel assigned to the judiciary include secretaries, receptionists, and court reporters. These personnel are paid by the three respective parishes of the Fifteenth Judicial District (Acadia, Lafayette, and Vermilion parishes). Some supplements and reimbursements are funded by the Court via payment to the respective parish governments. These reimbursements include wages, insurance, and retirement benefit costs. Compensation paid to law clerks assigned to the judiciary is established by the Court and funded by parishes. The Court pays health insurance premiums for the law clerks of the judiciary.

The employees working in the administrative offices of the Child Support Program include hearing officers, clerical staff, and court reporters.

The employees working in the administrative offices of the Misdemeanor Probation Program include probation officers and support staff.

NOTE 13 CONTINGENCIES

Secretarial and clerical support staff of the District Court are paid by the respective parish police juries or consolidated governments. The judges of the district en banc are working to provide parity and uniformity in compensation and benefits. To date, it is uncertain if compensation has been provided in accordance with established policy. Also, it is uncertain which agency would be responsible if a liability exists. The amount of any potential liability has not been determined.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 14 OPERATING LEASE

The Court is committed under an operating lease for an office building. Future minimum operating lease commitments are as follows:

<u>Year ending June 30,</u>	
2012	39,600
2013	<u>3,300</u>
Total	<u>\$ 42,900</u>

Rent expenditures under this lease were \$39,600 for the year ended June 30, 2012.

NOTE 15 RETIREMENT

Parochial Employees' Retirement System

Plan description:

Substantially all employees of the Fifteenth Judicial District Court are members of the Parochial Employees' Retirement System of Louisiana (the "System"), a cost-sharing, multiple-employer public employee retirement system (PERS), controlled and administered by a separate Board of Trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the Court are members of Plan A.

Under Plan A, employees hired prior to January 1, 2007 who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service, or hires after January 1, 2007 who retire at or after age 67 with at least 7 years of creditable service, age 62 with at least 10 years of creditable service, at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final compensation multiplied by the employee's years of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1% of final compensation, plus \$24 for each year of service credited prior to January 1, 1980, and 3% of final compensation for each year of service credited after January 1, 1980. Final compensation is the employee's monthly earnings during the 60 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated previously and who do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by State statute.

The Parochial Employees' Retirement System issues a publicly available report that includes financial statements and required supplemental information. That report may be obtained by writing to Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 15 RETIREMENT (Continued)

Funding policy:

Under Plan A, members are required by State statute to contribute 9.50% of their annual covered salary and the Court is required to contribute at an actuarially determined rate. The employer contribution rate for the fiscal year ending June 30, 2012 was 15.75% of annual covered payroll. The contribution requirements of Plan members and the Court are established and may be amended by the System's Board of Trustees. The Court's contributions to the System under Plan A for the years ended June 30, 2012, 2011, and 2010, were \$234,363, \$226,690, and \$194,794, respectively, equal to the required contributions for each year.

NOTE 16 RISK MANAGEMENT

The Fifteenth Judicial District Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Court has decided to retain the risk of liability exposure and presently, does not have any funds appropriated for the potential liability exposure.

NOTE 17 CONCENTRATIONS OF CREDIT RISK

Intergovernmental receivables represent amounts due from other Acadia, Lafayette, and Vermilion Parishes governmental agencies and the State of Louisiana. Payment of these amounts is partly dependent upon the economic and financial conditions within these parishes and the State of Louisiana.

NOTE 18 FEDERAL AND STATE GRANTS

In the normal course of operations, the Court receives grant funds from various Federal and State agencies. The grant programs are subject to audits by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 19 SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 21, 2012, the date at which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

Budgetary Comparison Schedules

FIFTEENTH JUDICIAL DISTRICT COURT

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget- Positive (Negative)
Revenues				
Intergovernmental				
Court fees	\$ 216,000	\$ 205,500	\$ 198,385	\$ (7,115)
Bond premiums	249,000	248,000	250,705	2,705
CLEVER grant	5,000	5,000	6,933	1,933
Families in Need of Service grant	133,184	133,184	100,509	(32,675)
Drug Court grants	180,000	180,000	174,282	(5,718)
Family Preservation Court grants	144,484	144,484	108,390	(36,094)
Families in Need of Service Supplement	52,600	57,600	56,118	(1,482)
Investment income	31,800	41,900	25,098	(16,802)
Total revenues	<u>1,012,068</u>	<u>1,015,668</u>	<u>920,420</u>	<u>(95,248)</u>
Expenditures				
Accounting/legal	8,000	8,000	6,216	1,784
Bench books	8,000	8,000	9,402	(1,402)
CLE expenses-retired judges	3,000	-	-	-
Commissioner expenses	3,000	3,000	1,797	1,203
Compensation, supplements, and benefits	307,201	308,303	311,911	(3,608)
Contractual services	39,220	39,220	12,335	26,885
Court administration and reporters	22,300	23,850	20,994	2,856
Dues and subscriptions	22,000	22,000	20,514	1,486
FINS excess expense	52,536	65,471	56,118	9,353
Incentives	-	-	4,579	(4,579)
Insurance	654	654	654	-
Internet provider charges	1,000	1,200	1,453	(253)
Judges' allowances (including prior banked)	186,449	180,883	150,732	30,151
Judges' meeting expenses and ad hoc	7,000	3,000	3,248	(248)
Miscellaneous/other	6,687	5,687	9,383	(3,696)
Office expenses, services, and small equipment	25,553	25,053	29,311	(4,258)
Parking fees	10,800	10,200	10,818	(618)
Postage	-	-	1,174	(1,174)
Security expense	7,000	-	-	-
Telephone - cellular	5,000	5,000	6,317	(1,317)
Testing and lab	18,614	18,614	8,056	10,558
Travel and seminars	40,384	40,384	33,783	6,601
Treatment	221,349	221,349	176,259	45,090
Total expenditures	<u>995,747</u>	<u>989,868</u>	<u>875,054</u>	<u>114,814</u>
Excess (deficiency) of revenues over expenditures	16,321	25,800	45,366	19,566
Other financing sources (uses):				
Operating transfers in (out)	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	36,321	45,800	65,366	19,566
Fund balance, beginning	<u>2,338,802</u>	<u>2,338,802</u>	<u>2,338,802</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,375,123</u>	<u>\$ 2,384,602</u>	<u>\$ 2,404,168</u>	<u>\$ 19,566</u>

FIFTEENTH JUDICIAL DISTRICT COURT

Budgetary Comparison Schedule
Child Support Fund
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Administrative collection fees	\$ 733,500	\$ 833,500	\$ 845,143	\$ 11,643
Investment income	13,450	12,100	12,351	251
Total revenues	<u>746,950</u>	<u>845,600</u>	<u>857,494</u>	<u>11,894</u>
Expenditures				
Accounting	6,000	6,000	5,180	820
Compensation, supplements, and benefits	552,543	555,543	552,670	2,873
Computer expenses	5,200	2,400	4,612	(2,212)
Contractual services	20,000	15,500	7,022	8,478
Court reporter	650	2,050	290	1,760
Development expenses	1,500	-	-	-
Dues and subscriptions	21,000	20,000	11,540	8,460
Internet provider charges	1,950	2,050	1,904	146
Judges' expense allowance	31,879	31,879	28,881	2,998
Mileage in dist.-Acad./Verm. hearing officers	5,000	5,000	3,864	1,136
Miscellaneous/other	4,000	3,600	4,161	(561)
Office expenses, services, and small equipment	14,000	23,500	22,810	690
Postage	400	600	501	99
Security	5,000	5,500	5,500	-
Telephone - cellular	1,950	1,950	2,016	(66)
Total expenditures	<u>671,072</u>	<u>675,572</u>	<u>650,951</u>	<u>24,621</u>
Excess (deficiency) of revenues over expenditures	75,878	170,028	206,543	36,515
Other financial sources (uses):				
Operating transfers in (out)	-	-	-	-
Net change in fund balance	75,878	170,028	206,543	36,515
Fund balance, beginning	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,150,000</u>	-
Fund balance, ending	<u>\$ 1,225,878</u>	<u>\$ 1,320,028</u>	<u>\$ 1,356,543</u>	<u>\$ 36,515</u>

FIFTEENTH JUDICIAL DISTRICT COURT

Budgetary Comparison Schedule
Misdemeanor Probation Fund
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Administrative collection fees	\$ 495,000	\$ 485,350	\$ 482,717	\$ (2,633)
Investment income	3,000	1,400	1,464	64
Total revenue	<u>498,000</u>	<u>486,750</u>	<u>484,181</u>	<u>(2,569)</u>
Expenditures				
Accounting	4,500	3,500	3,404	96
Litter Abatement	15,600	15,600	13,732	1,868
Compensation, supplements, and benefits	324,318	321,118	318,188	2,930
Computer expenses	10,500	6,600	7,276	(676)
Dues and subscriptions	125	125	-	125
Internet provider charges	2,300	2,300	2,219	81
Miscellaneous/other	1,150	1,600	2,653	(1,053)
Office expenses, services, and small equipment	53,300	53,200	49,088	4,112
Parking fees	2,200	2,200	1,585	615
Postage	6,000	6,000	3,982	2,018
Security	3,360	3,360	-	3,360
Telephone - cellular	5,850	5,850	5,802	48
Travel and seminars	3,500	1,000	1,254	(254)
Total expenditures	<u>432,703</u>	<u>422,453</u>	<u>409,183</u>	<u>13,270</u>
Excess (deficiency) of revenues over expenditures	<u>65,297</u>	<u>64,297</u>	<u>74,998</u>	<u>(10,701)</u>
Other financial sources (uses):				
Operating transfers in (out)	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balance	45,297	44,297	54,998	(10,701)
Fund balance, beginning	<u>543,860</u>	<u>543,860</u>	<u>543,860</u>	<u>-</u>
Fund balance, ending	<u>\$ 589,157</u>	<u>\$ 588,157</u>	<u>\$ 598,858</u>	<u>\$ (10,701)</u>

FIFTEENTH JUDICIAL DISTRICT COURT

Budgetary Comparison Schedule
Drug Court Enhancement Fund
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u> <u>Budget-</u> <u>Positive</u> <u>(Negative)</u>
Revenues				
Adult Drug Court Fee Income	\$ 44,000	\$ 44,000	\$ 64,751	\$ 20,751
Juvenile Drug Court Fee Income	<u>44,000</u>	<u>44,000</u>	<u>64,751</u>	<u>20,751</u>
Total Revenues	<u>88,000</u>	<u>88,000</u>	<u>129,502</u>	<u>41,502</u>
Expenditures				
Contractual service	41,000	41,000	46,441	(5,441)
Incentives	-	-	1,238	(1,238)
Miscellaneous/other	4,600	5,100	5,287	(187)
Office expenses, services, and small equipment	3,350	2,750	1,745	1,005
Travel and training	7,500	7,500	3,106	4,394
Treatment	<u>23,550</u>	<u>23,550</u>	<u>15,408</u>	<u>8,142</u>
Total expenditures	<u>80,000</u>	<u>79,900</u>	<u>73,225</u>	<u>6,675</u>
Excess (deficiency) of revenues over expenditures	<u>8,000</u>	<u>8,100</u>	<u>56,277</u>	<u>48,177</u>
Other financing sources (uses):				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	8,000	8,100	56,277	48,177
Fund balance, beginning	<u>241,639</u>	<u>241,639</u>	<u>241,639</u>	<u>-</u>
Fund balance, ending	<u>\$ 249,639</u>	<u>\$ 249,739</u>	<u>\$ 297,916</u>	<u>\$ 48,177</u>

FIFTEENTH JUDICIAL DISTRICT COURT

Notes To The Budgetary Comparison Schedules

Budgets and budgetary accounting:

The Court follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the Court Administrator prepares a proposed operating budget. The operating budget includes proposed expenditures and the means of financing them.
2. The budget is then approved by the Judges en banc.
3. An amendment involving the transfer of monies from one department to another or from one program or function to another or any other increases in expenditures exceeding amounts estimated must be approved by the Court.
4. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. The budget is employed as a management control device during the year that assists its users in financial activity analysis.

All budget appropriations lapse at year end. The budgets presented are the originally adopted budget and the final amended budget. Actual amounts may not vary more than 5% from the final amended budget at the individual fund level.



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Independent Auditor's Report on
 Internal Control Over Financial Reporting
 and on Compliance and Other Matters Based
 on an Audit of Financial Statements Performed in
 Accordance With *Government Auditing Standards*

To the Honorable David Blanchet
 Fifteenth Judicial District Court
 Lafayette, Louisiana

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We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fifteenth Judicial District Court as of and for the year ended June 30, 2012, which collectively comprise the Fifteenth Judicial District Court's basic financial statements and have issued our report thereon dated September 21, 2012. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the Fifteenth Judicial District Court, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Fifteenth Judicial District Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fifteenth Judicial District Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fifteenth Judicial District Court's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fifteenth Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 12-1.

The Fifteenth Judicial District Court's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Fifteenth Judicial District Court's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Fifteenth Judicial District Court's management, the judges en banc, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Darnall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana
September 21, 2012

FIFTEENTH JUDICIAL DISTRICT COURT

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2012

This section is not applicable for the fiscal year ended June 30, 2012

FIFTEENTH JUDICIAL DISTRICT COURT

Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

Part I: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report - Financial Statements

An unqualified opinion has been issued on Fifteenth Judicial District Court's financial statements as of and for the year ended June 30, 2012.

Significant Deficiencies - Financial Reporting

There were no significant deficiencies or material weaknesses noted during the audit.

Material Noncompliance - Financial Reporting

There was one material instance of noncompliance noted during the audit of the financial statements which is shown as item 12-1 in Part II.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2012.

Part II: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

12-1 Budget Variance

Finding:

The General Fund had actual revenues and other sources that fell below total budgeted revenues and other sources by more than five percent. Louisiana R.S. 39:1307 requires the governing authority to amend the budget once notified that actual expenditures and other uses exceed or actual revenues and other sources fall below budgeted amounts by five percent or more (Note, state law exempts from the amendment requirements special revenue funds with anticipated expenditures of \$500,000 or less).

Cause:

Certain revenue line items fell below budgeted amounts by 5% or more, which is a violation of State Budget Law.

Effect:

Inaccurate budgeting counters fiscal responsibility.

FIFTEENTH JUDICIAL DISTRICT COURT

Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

12-1 Budget Variance (continued)

Recommendation:

Revenues and expenditures should be monitored according to Louisiana R.S. 39:1311 in order to effectively advise the governing authority of any five percent variances as described in Louisiana R.S. 39:1307.

Part III: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2012, the Fifteenth Judicial District Court did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

Part IV: Management Letter

The auditor did not issue a management letter this year

FIFTEENTH JUDICIAL DISTRICT COURT

Management's Corrective Action Plan
Year Ended June 30, 2012

Part I Internal Control and Compliance Material to the Financial Statement

12-1 Budget Variance

Response:

We will begin to monitor the budget versus actual revenue and expenditures on a quarterly basis in an effort to properly govern the budgets accordingly.

Part II Internal Control and compliance Material to Federal Awards

This section is not applicable for the year ended June 30, 2012.

Part III Management Letter

This Section is not applicable for the year ended June 30, 2012.